

44 overpayment of fees on such loans when appropriate, and repay such
45 advances made by the United States commissioner of education except
46 that fees, interest, and other earnings of the fund may also be used
47 for expenditures attributable to the necessary, proper, and efficient
48 administration of such loans."

Approved June 16, 1967.

CHAPTER 235

REVENUE BONDS FOR UNIVERSITY BUILDINGS

S. F. 532

AN ACT authorizing the state board of regents to acquire by gift, purchase, lease or construction and to reconstruct, complete, equip, improve, repair, remodel, operate, control, maintain and manage medical and hospital buildings and facilities, and additions to such buildings and facilities, for the use of the hospitals and medical clinics of the state university of Iowa, to acquire and improve property therefor, and to borrow money and issue bonds or notes payable solely from income received by said hospitals and clinics, and to refund bonds, notes or other obligations payable from such revenues.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. The following words or terms, as used in this Act,
2 shall have the respective meanings as stated:

3 1. "Board" shall mean the state board of regents.

4 2. "Institution" shall mean the state university of Iowa.

5 3. "Buildings and facilities" shall mean buildings to be used pri-
6 marily for service, clinical instructional and clinical research purposes
7 in the field of medicine with particular emphasis on the family prac-
8 tice of medicine and such other facilities as are deemed necessary by
9 the board to support and carry out the service, instructional, and re-
10 search objectives of the hospitals, medical clinics, and medical service
11 laboratories of the institution, including, without limiting the gener-
12 ality of the foregoing, hospital buildings, clinic buildings, laboratory
13 buildings, clinical staff facilities, building for housing interns, resident
14 physicians and nurses, and medical record and film storage buildings,
15 or any combination thereof.

16 4. "Project" shall mean the acquisition by gift, purchase, lease, or
17 construction of buildings and facilities and additions to such buildings
18 and facilities, the reconstruction, completion, equipment, improve-
19 ment, repair, or remodeling of buildings and facilities, including the
20 demolition of existing buildings and facilities which are to be replaced,
21 and the acquisition of property of every kind and description, whether
22 real, personal or mixed, for buildings and facilities by gift, purchase,
23 lease, condemnation, or otherwise and the improvement of the same
24 or any combination of the foregoing.

25 5. "Hospital income" shall mean the income and funds received by
26 the hospitals, medical service clinics, and medical service laboratories
27 of the state university of Iowa, including the proceeds of rates, fees,
28 and charges for services rendered by said hospitals, clinics, and labora-
29 tories, but excluding state appropriations to the institution.

30 6. "Bonds or notes" shall mean revenue bonds or revenue notes
31 which are payable solely and only from hospital income.

1 SEC. 2. Subject to and in accordance with the provisions of this
2 Act, the state board of regents after authorization by a constitutional
3 majority of the general assembly may undertake and carry out any
4 project as defined in this Act at the state university of Iowa. The
5 state board of regents is authorized to operate, control, maintain, and
6 manage buildings and facilities and additions to such buildings and
7 facilities at said institution. All contracts for the construction, recon-
8 struction, completion, equipment, improvement, repair, or remodeling
9 of any buildings, additions, or facilities shall be let in accordance with
10 the provisions of section two hundred sixty-two point thirty-four
11 (262.34) of the Code. The title to all real estate acquired under the
12 provisions of this Act and the improvements erected thereon shall be
13 taken and held in the name of the state of Iowa.

1 SEC. 3. The board is authorized to borrow money and to issue and
2 sell negotiable bonds or notes to pay all or any part of the cost of
3 carrying out any project at the institution and to refund and refinance
4 bonds or notes issued for any project or for refunding purposes at the
5 same rate or at a lower rate. Such bonds or notes shall be sold by the
6 board at public sale on the basis of sealed proposals received pursuant
7 to a notice specifying the time and place of sale and the amount of
8 bonds to be sold which shall be published at least once not less than
9 seven (7) days prior to the date of sale in a newspaper published in
10 the state of Iowa and having a general circulation in the state. The
11 provisions of chapter seventy-five (75) of the Code shall not apply to
12 bonds or notes issued under authority contained in this Act, but such
13 bonds or notes shall be sold upon terms of not less than par plus ac-
14 crued interest. Bonds or notes issued to refund other bonds or notes
15 issued under the provisions of this Act may either be sold in the man-
16 ner specified in this Act and the proceeds thereof applied to the pay-
17 ment of the obligations being refunded, or the refunding bonds or
18 notes may be exchanged for and in payment and discharge of the
19 obligations being refunded. The refunding bonds or notes may be sold
20 or exchanged in installments at different times or an entire issue or
21 series may be sold or exchanged at one (1)* time. Any issue or series
22 of refunding bonds or notes may be exchanged in part or sold in parts
23 in installments at different times or at one (1)* time. The refunding
24 bonds or notes may be sold or exchanged at any time on, before, or
25 after the maturity of any of the outstanding notes, bonds, or other
26 obligations to be refinanced thereby and may be issued for the purpose
27 of refunding a like or greater principal amount of bonds or notes,
28 except that the principal amount of the refunding bonds or notes may
29 exceed the principal amount of the bonds or notes to be refunded to
30 the extent necessary to pay any premium due on the call of the bonds
31 or notes to be refunded or to fund interest in arrears or about to be-
32 come due.

33 All bonds or notes issued under the provisions of this Act shall be
34 payable solely and only from and shall be secured by an irrevocable
35 pledge of a sufficient portion of the hospital income of the institution.

*According to enrolled Act.

36 All bonds or notes issued under the provisions of this Act shall have
37 all the qualities of negotiable instruments under the laws of this state.

1 SEC. 4. Such bonds or notes may bear such date or dates, may bear
2 interest at such rate or rates, payable semiannually, may mature at
3 such time or times, may be in such form and denominations, carry
4 such registration privileges, may be payable at such place or places,
5 may be subject to such terms of redemption prior to maturity with or
6 without premium, if so stated on the face thereof, and may contain
7 such terms and covenants, including the establishment of reserves, all
8 as may be provided by the resolution of the board authorizing the
9 issuance of the bonds or notes. In addition to the estimated cost of
10 construction, including site costs, the cost of the project may include
11 interest upon the bonds or notes during construction and for six (6)
12 months after the estimated completion date, the compensation of a
13 fiscal agent or adviser, engineering, architectural, administrative, and
14 legal expenses and provision for contingencies. Such bond* or notes
15 shall be executed by the president of the state board of regents and
16 attested by the executive secretary, secretary, or other official thereof
17 performing the duties of secretary, and the coupons thereto attached
18 shall be executed with the original or facsimile signatures of said
19 president, executive secretary, secretary, or other official; provided,
20 however, that the facsimile signature of either of such officers execut-
21 ing such bonds may be imprinted on the face of the bonds in lieu of
22 the manual signature of such officer, but at least one (1) of the signa-
23 tures appearing on the face of each bond shall be a manual signature.
24 Any bonds or notes bearing the signatures of officers in office on the
25 date of the signing thereof shall be valid and binding for all purposes,
26 notwithstanding that before delivery thereof any or all such persons
27 whose signatures appear thereon shall have ceased to be such officers.
28 Each such bond or note shall state upon its face the name of the insti-
29 tution on behalf of which it is issued, that it is payable solely and only
30 from hospital income received by such institution as provided in this
31 Act, and that it does not constitute a debt of or charge against the
32 state of Iowa within the meaning or application of any constitutional
33 or statutory limitation or provision. The issuance of such bonds or
34 notes shall be recorded in the office of the treasurer of the institution,
35 and a certificate by such treasurer to this effect shall be printed on the
36 back of each such bond or note.

1 SEC. 5. Upon the determination by the state board of regents to
2 undertake and carry out any project or to refund outstanding bonds
3 or notes, said board shall adopt a resolution describing generally the
4 contemplated project and setting forth the estimated cost thereof, or
5 describing the obligations to be refunded, fixing the amount of bonds
6 or notes to be issued, the maturity or maturities, the interest rate or
7 rates, and all details in respect thereof. Such resolution shall contain
8 such covenants as may be determined by the board as to the issuance
9 of additional bonds or notes that may thereafter be issued payable
10 from the hospital income received by the institution, the amendment
11 or modification of the resolution authorizing the issuance of any bonds
12 or notes, the manner, terms, and conditions and the amount or per-

*According to enrolled Act.

13 centage of assenting bonds or notes necessary to effectuate such
14 amendment or modification, and such other covenants as may be
15 deemed necessary or desirable. In the discretion of the board, any
16 bonds or notes issued under the terms of this Act may be secured by
17 a trust indenture by and between the board and a corporate trustee,
18 which may be any trust company or bank having the powers of a trust
19 company within or without the boundaries of the state of Iowa, but
20 no such trust indenture shall convey or mortgage the buildings and
21 facilities or any part thereof. The provisions of this Act and of any
22 resolution or other proceedings authorizing the issuance of bonds or
23 notes and providing for the establishment and maintenance of ade-
24 quate rates, fees, and charges for services rendered by the hospitals,
25 medical clinics, and medical laboratories of the institution and the
26 application of the proceeds thereof, together with other hospital in-
27 come, shall constitute a contract with the holders of such bonds or
28 notes.

1 SEC. 6. Whenever bonds or notes are issued by the state board of
2 regents, it shall be the duty of said board to establish, impose, and
3 collect rates, fees, and charges for services rendered by the hospitals,
4 medical clinics, and medical laboratories of the institution and to
5 adjust such rates, fees, and charges from time to time, in order to
6 always provide amounts which, together with other hospital income,
7 will be sufficient to pay the principal of and interest on such bonds or
8 notes as the same become due and to maintain a reserve therefor, and
9 said board is authorized to pledge a sufficient amount of the hospital
10 income received by such institution for this purpose. All bonds or
11 notes issued under the terms of this Act shall be exempt from taxation
12 by the state of Iowa and the interest thereon shall be exempt from the
13 state income tax.

1 SEC. 7. A certified copy of each resolution providing for the issu-
2 ance of bonds or notes under this Act shall be filed with the treasurer
3 of the institution and it shall be the duty of said treasurer to keep and
4 maintain separate accounts for each issue of bonds or notes in accord-
5 ance with the covenants and directions set out in the resolution pro-
6 viding for the issuance thereof. A sufficient portion of the hospital
7 income received by the institution shall be held in trust by the treas-
8 urer thereof, separate and apart from all other funds, to be used solely
9 and only for the purposes specified in this Act and as may be required
10 and provided for by the proceedings of the board authorizing the issu-
11 ance of bonds or notes. It shall be the duty of the treasurer of the
12 institution to disburse funds from the proper account for the payment
13 of the principal of and interest on the bonds or notes in accordance
14 with the directions and covenants of the resolution authorizing the
15 issuance thereof.

1 SEC. 8. Under no circumstances shall any bonds or notes issued
2 under the terms of this Act be or become or be construed to constitute
3 a debt of or a charge against the state of Iowa within the purview of
4 any constitutional or statutory limitation or provision. No taxes, or
5 other funds of the state of Iowa appropriated to the institution may
6 be pledged for or used to pay such bonds or notes or the interest
7 thereon but any such bonds or notes shall be payable solely and only

8 as to both principal and interest from the hospital income received by
9 the institution as hereinbefore provided, and the sole remedy for any
10 breach or default of the terms of any such bonds or notes or proceed-
11 ings for their issuance shall be a proceeding either in law or in equity
12 by suit, action, or mandamus to enforce and compel performance of
13 the duties required by this Act and the terms of the resolution under
14 which such bonds or notes are issued.

1 SEC. 9. All banks, trust companies, bankers, savings banks and
2 institutions, building and loan associations, savings and loan associa-
3 tions, investment companies, and other persons carrying on a banking
4 or investment business, all insurance companies, insurance associa-
5 tions, and other persons carrying on an insurance business and all
6 executors, administrators, guardians, trustees, and other fiduciaries
7 may legally invest any sinking funds, moneys, or other funds belong-
8 ing to them or within their control in any bonds or notes issued pur-
9 suant to this Act; provided, however, that nothing contained in this
10 section may be construed as relieving any persons from any duty of
11 exercising reasonable care in selecting securities for purchase or in-
12 vestment.

1 SEC. 10. The state board of regents is authorized to apply for and
2 accept federal or non-federal gifts, loans, or grants of funds and to
3 use the same to pay all or any part of the cost of carrying out any
4 project at the institution under the terms of this Act or to pay any
5 bonds or notes and interest thereon issued for any of the purposes
6 specified in this Act.

1 SEC. 11. This Act shall be construed as providing an alternative
2 and independent method for carrying out any project related to the
3 medical school and any project related to the hospital at the institu-
4 tion, for the issuance and sale or exchange of bonds or notes in con-
5 nection therewith, and for refunding bonds or notes pertinent thereto,
6 without reference to any other statute, and shall not be construed as
7 an amendment of or subject to the provisions of any other law, and
8 no publication of any notice, whether under section twenty-three point
9 twelve (23.12) of the Code or otherwise, and no other or further pro-
10 ceedings in respect to the issuance or sale or exchange of bonds or
11 notes under this Act shall be required except such as are prescribed
12 by this Act, any provisions of other statutes of the state to the con-
13 trary notwithstanding.

1 SEC. 12. If any provisions of this Act or the application thereof to
2 any person or circumstances is held to be invalid, such invalidity shall
3 not affect other provisions or applications of the Act which can be
4 given effect without the invalid provisions or application, and to this
5 end the provisions of this Act are declared to be severable.

1 SEC. 13. This Act being deemed of immediate importance shall be
2 in full force and effect from and after its passage and publication in

- 3 The Clinton Herald, a newspaper published at Clinton, Iowa, and in
 4 The Paullina Times, a newspaper published at Paullina, Iowa.

Approved June 13, 1967.

I hereby certify that the foregoing Act, Senate File 532, was published in The Clinton Herald, Clinton, Iowa, June 16, 1967, and in The Paullina Times, Paullina, Iowa, June 15, 1967.

MELVIN D. SYNHORST, *Secretary of State.*

CHAPTER 236

EDUCATIONAL LABORATORY SCHOOLS

H. F. 216

AN ACT relating to educational laboratory schools.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 SECTION 1. Chapter two hundred sixty-five (265), Code 1966, is
 2 hereby amended by adding thereto the following new section:
 3 "The obligations of any school district on any contract between it
 4 and the state board of regents entered into pursuant to this chapter
 5 shall be payable only out of current receipts from taxes, tuition or
 6 other income available therefor each year, and shall not constitute a
 7 debt for the purposes of any statutory or constitutional provision
 8 limiting the obligations said school district may incur."

Approved May 25, 1967.

CHAPTER 237

UNIVERSITY OF NORTHERN IOWA

S. F. 151

AN ACT relating to the State College of Iowa.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 SECTION 1. Section two hundred sixty-eight point one (268.1),
 2 Code 1966, is hereby amended as follows:
 3 1. By striking from line one (1) the word "school" and inserting
 4 in lieu thereof the word "university".
 5 2. By striking from line three (3) the words "State College of
 6 Iowa" and inserting in lieu thereof the words "University of North-
 7 ern Iowa".
 1 SEC. 2. Whenever in the Acts of the Sixty-second (62nd) General
 2 Assembly reference is made to the State College of Iowa, other than
 3 in this Act, said reference shall be construed to mean the University
 4 of Northern Iowa.